

RICOH INDIA LIMITED

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1 September 2017

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE
2017 CONCERNING RICOH INDIA LIMITED**

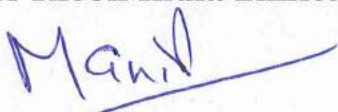
Dear Sir

We wish to inform you that the Board of Directors of the Company in their meeting held today have inter alia considered and approved the Unaudited Financial Results for the quarter ended 30 June 2017.

Enclose find herewith, scanned copy of the Unaudited Financial Results for the quarter ended 30 June 2017 and Limited Review Report of the Statutory Auditors of the Company.

The above is for your kind information and record please.

Yours faithfully
For **Ricoh India Limited**



Manish Sehgal
Company Secretary

Encl: a/a

RICOH INDIA LIMITED

(CIN - L74940MH1993PLC074694)

Regd.Off. 801, 8th Floor, Ackruti Star, MIDC Central Road, Near Marol Telephone Exchange, MIDC, Andheri - East, Mumbai - 400 093

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2017

(Amount in Rs. Lacs)

	Particulars	Quarter ended	
		30 June 2017	30 June 2016
		Unaudited	Unaudited
1	Income		
	(a) Revenue from Operations		
	- Sales of goods	8,736	15,502
	- Sales of services	9,421	6,369
	- Other Operating Income	931	426
	(b) Other Income	238	163
	Total income	19,326	22,460
2	Expenses		
	(a) Purchase of stock-in-trade & services	19,283	14,852
	(b) Changes in inventories of Stock in Trade	(2,771)	4,360
	(c) Employee benefits	2,776	2,307
	(d) Finance Costs	2,609	4,555
	(e) Depreciation and amortisation	438	446
	(f) Other expenses	4,271	5,360
	Total Expenses	26,606	31,880
3	(Loss)/Profit before exceptional items and tax (1 - 2)	(7,280)	(9,420)
4	Exceptional Items	-	-
5	(Loss)/Profit after exceptional items but before tax (3 - 4)	(7,280)	(9,420)
6	Tax Expense		
	- Income tax earlier year	(95)	-
7	Net (Loss)/ Profit for the period (5 + 6)	(7,375)	(9,420)
8	Other comprehensive income	-	-
9	Total comprehensive income for the period (7 + 8)	(7,375)	(9,420)
10	Paid up equity share capital (Rs. 10/- each)	3,977	3,977
	i) (Loss)/ Earnings per share (of Rs 10/-each) (not annualised):		
	a) Basic	(18.55)	(23.69)
	b) Diluted	(18.55)	(23.69)

 For and on behalf of the Board
 of Ricoh India Limited



 AT Rajan
 Managing Director & CEO
 DIN: 07487969

 Date : 01 September 2017
 Place : New Delhi

Notes to the accounts

1. This statement has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 1 September 2017.
2. The financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1 April 2017, the Company has for the first time adopted Ind AS with a transition date of 1 April 2016.
3. Transition to Ind AS: The Company has adopted Ind AS with effect from 1 April 2017 with comparatives being re-stated.
4. The reconciliation of net loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below :-

Description	(Amount in Rs. Lacs)
	For the quarter ended 30 June 2016 (Unaudited)
Net loss as per Indian GAAP	(9,553)
(Add)/Less : (i) Borrowings-transaction cost adjustment	(8)
(ii) Fair valuation of derivative	173
(iii) Unwinding of discount on provisions	(52)
(iv) Fair valuation of revenue	20
Net loss as per Ind AS	(9,420)
Other comprehensive income, net of income tax	-
Total comprehensive income for the period	(9,420)

5. The statement does not include Ind AS compliant results for the preceding quarter and previous year ended 31 March 2017 as the same is not mandatory as per SEBI's circular dated 5 July 2016

Going concern

6. As at 30 June 2017 the net worth of the Company has eroded. The Directors consider the preparation of the financial results on a going concern basis as appropriate, as they have received a letter of support from the ultimate parent company (Ricoh Company, Limited) that it shall provide support to meet its financial obligations as they fall due.

Background

7. As detailed in the financial statement and fully explained in the Annual Report 2015-16, the Company was impacted by financial irregularities and falsifications. On 26 May 2017 the results along with the statutory auditor's report for the quarter and year ended 31 March 2017 were presented to the Audit Committee. These were subsequently approved by the board and filed with the BSE Limited and are available at Company's website www.ricoh.co.in. Significant improvements have been made as compared to the previous year in certain areas and these are reflected in the audit report. However, the statutory auditors have issued a disclaimer of opinion on the financial statements for the year ended 31 March 2017. The Directors have filed the appropriate statement with the BSE Limited that there was no difference between the financial statement / results reported and the financial statement / results with

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the impact of the disclaimer of opinion. On 30 August 2017 the Annual report for the year 2016-17 was approved by the Board of Directors.

On 1 September 2017 the Company filed its financial results for the quarter ended 30 June 2017 which have been prepared in accordance with the recognition and measurement principle laid down in the Ind AS 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India. There have been significant improvements in the current period and the same is reflected in the audit report. However, the auditors have disclaimed from an opinion in their limited review report. The Directors have confirmed their belief that the results for each of the aforementioned periods materially represents a true and fair view. The Directors have addressed the contents of the statutory auditors' report in the Directors' Report included in the Annual Report for 2016 -17 and there are no new significant matters raised in the auditors' report for the current period and hence no further updates to provide in this regard.

8. On 4 May 2016, BSE Limited issued a notice that the shares of the Company would be suspended with effect from 26 May 2016 on account of non-compliance of Regulation 33 of SEBI (LODR), 2015 for two consecutive quarters. Having brought its compliances up to date, the Company preceded to file an application for revocation of suspension of trading of shares of the Company with BSE Limited on 19 December 2016. All necessary payments of penalties and filing fees were made at the same time.

BSE Limited listed an appeal with the Hon'ble National Company Law Appellate Tribunal (NCLAT) on 21 November 2016. This appeal was in respect of the Order of the Hon'ble National Company Law Tribunal (NCLT) dated 30 September 2016 under which the NCLT had approved that the Company did not need to follow Sections 100 to 104 of the Companies Act, 1956. BSE Limited contended that the Company should follow such Sections and hence should have filed an advance Scheme with BSE Limited prior to gaining NCLT approval on 23 August 2016.

The Hon'ble NCLAT disposed of the appeal of BSE Limited on 23 May 2017. The Order of the NCLT stated that the Company should comply with SEBI rules but that Sections 100 to 102 of the Companies Act, 1956 were not relevant. The Company has subsequently met with BSE Limited to clarify the way forward since until the shares of NRG Group Limited are listed, BSE Limited will not lift the suspension on trading of shares of the Company.

It is the Company's view that it is not practical to follow SEBI rules that are applicable to sections 100 to 102 of the Companies Act, 1956 if both NCLT and Hon'ble NCLAT are of the view that the sections 100 to 102 are not relevant and hence do not apply.

The Company is now looking at ways in which requirements of BSE Limited may be satisfied retrospectively. However, since it is practically impossible to reverse the cancellation and issuance of shares of NRG Group Limited without repaying such funds in full to NRG Group Limited there is no obvious legal process to follow. It is clear that the Company does not have the funds to repay NRG Group Limited and nor would its bankers support such removal of funds.

The current impasse is detrimental to non-promoter shareholders since it is preventing them from trading. The Company will notify the shareholders of the progress as and when it is realized.

Other matters

9. Previous period's figures have been regrouped/reclassified as per the current period's presentation in the interest of comparability.

10. Segment reporting.

The Board of Directors (Company's Chief Operating Decision Maker) consider that the sale of goods is an integral part of the delivery of services whether it be by way of Ricoh product or third party product. The Board of Directors also consider that the delivery of IT services is an adjacent activity that extends the Company's integrated offering to customers.

In view of the above the Directors continue to regard the business as a single business segment as per Ind AS 108.



11.Inventory:

During the quarter ended 30 June 2017, the Company carried out physical verification of its entire inventory lying at various locations. The Company has a plan for liquidation of old/slow moving/non-moving inventory. The Company has hence further provided for Rs. 3,585 Lacs towards expected diminution in their net realizable value.

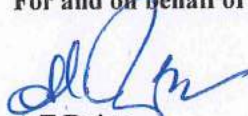
12. Government of India through Ministry of Environment, Forest and Climate Change has issued E-waste Management Rules, 2016 (E-waste Rules) which are applicable to the Company as a producer. Accordingly, the Company is required to collect electronic and electrical equipment ('EEE') waste generated over the average life of the products sold. The actual target for collection of e-waste for dismantling or recycling will be fixed on the basis of quantity of electrical and electronic equipment, product code wise, placed in the market in the previous years and taking into consideration the average life of the equipment. The Company doesn't have adequate information in relation to external factors such as consumer willingness, consumer location, compensation payable, disposal and uncertainty over availability of enough EEE for pick up which are essential to arrive at a reliable estimate. The Company is in process of putting in place appropriate mechanism for collection and disposal of e-waste. In view of the uncertainties highlighted above, presently the Company has not been able to recognize a provision for the same and the obligation has been disclosed as a contingent liability.

13. The Company has received a claim from one of its vendor for Rs. 42,881 Lacs with regard to termination of a contract. The Company believes that the claim by the vendor is frivolous and not tenable. The Company has also taken a legal opinion to confirm the view and hence no provision is required for the same.

Post Balance Sheet events

14. As a result of the falsification of accounts referred to above the Company is working with a number of regulatory authorities. The Company has no reason to believe that any liabilities will arise out of its cooperation with any investigation by such authorities and hence no provision is included in the statement for the quarter ended 30 June 2017.
15. The Company had raised Non-Convertible Debentures (NCD) of Rs.200 crores. The NCD mature on 10 September 2017. Subject to the approval of the BSE Limited, the date of maturity of the NCD is proposed to be extended to 10 September 2020 at a coupon rate of 7% per annum.

For and on behalf of the Board of Ricoh India Limited



A T Rajan
Managing Director & CEO
DIN: 07487969

Place: New Delhi
Date : 01 September 2017

B S R & Co. LLP

Chartered Accountants

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DLF Cyber City, Phase - II
Gurgaon - 122 002, India

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Limited Review Report on the Quarterly Financial Results of the company pursuant to the regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

To the Board of Directors of Ricoh India Limited

1. We were engaged to review the accompanying statement of unaudited financial results ('the statement') of Ricoh India Limited ('the Company') for the quarter ended 30 June 2017. The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. The financial results for the quarter ended 30 June 2016 which are included as comparative results were initially prepared under the Companies (Accounting Standards) Rules, 2006 on which we had issued a disclaimer of opinion. The Company has adjusted these comparative results as per the Companies (Indian Accounting Standards) Rules, 2015. However, as permitted under Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 issued by Securities Exchange Board of India, we have not performed a review of these comparative results.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. In view of irregularities and suspected fraudulent transactions noted during the year ended 31 March 2016, the Company carried out investigations. As a result of the investigations, the Company recorded significant adjustments in its books of account during the year ended 31 March 2016.

In view of the fact that matters relating to abovementioned financial irregularities are sub-judice and investigations by regulatory authorities are yet to be completed, we are unable to comment on the consequential impact, if any, on the financial results of the outcome of such investigations / enquiry by law enforcement agencies and outcome of related litigation and claims.

5. We had made various observations in our audit report dated 26 May 2017 on the financial statements for the year ended 31 March 2017, which inter alia included apart from other matters [including those listed in paragraph 4 above], limitations with regard to availability of necessary audit evidences including original documents and information, satisfactory explanations and justifications required for audit for the years ended 31 March 2016 and 31 March 2017. In view of the limitations and uncertainties involved, we had expressed our inability to express an opinion on the financial

statements for the aforesaid year. Our opinion on the current period's financial results is also modified to this extent because of the possible effects of the above matters on the figures for the current period and on the corresponding figures for the quarter ended 30 June 2016, which also affects their comparability with current period figures.

6. While there has been significant improvement in the overall availability of information / documentation as compared to the previous year, we are unable to comment on the necessary adjustments / disclosures in these financial results in relation to the following items, in view of non-availability of certain necessary information / documentation / satisfactory explanations / justifications relevant to the current review –
 - a. completeness, existence and accuracy of provision for contingencies and asset balances with Government authorities and others in the absence of system of tracking various claims, notices, demands and litigations; and
 - b. original documents / agreements relating to periods till 31 March 2017 though relevant for the current review, were not available in some cases and hence we have had to carry out our review procedures on photo copies of those documents.
7. In respect of revenue contracts, the Company has used significant assumptions / estimates for allocation of revenues and costs to multiple elements of the contracts, estimated costs to complete or exit the contracts etc. In absence of sufficient information, we have not been able to complete our review procedures to validate the reasonableness of such assumptions / estimates.

In view of the above, we are unable to comment on consequential impact on accounting of revenue and costs recognized for these contracts and the corresponding balances of contract work-in-progress, unearned / accrued revenues, receivables and provision for liabilities including those towards onerous contracts.

8. During the years ended 31 March 2016 and 31 March 2017, in respect of machines given on lease, we were not able to complete our audit procedures due to non-availability of complete documentation / details e.g. absence of lease contracts, details and reconciliation of amount collected, amount due as at period-end, analysis of nature of lease such as operating lease vs. finance lease and basis of allocation of revenues to multiple elements of the contracts (e.g. lease instalment and charges based on number of prints) etc. Further, we observed inaccuracies / inconsistencies in details used for computation of lease receivable as at period end such as fair value of lease, lease terms, computation of interest rate implicit in the lease etc. No further information in respect of such lease contracts entered till 31 March 2017 has been provided to us for the purpose of our review in the current period.

Further, in respect of lease contracts entered during the current period, the Company has used significant assumptions for allocation of revenues to multiple elements in the contracts (e.g. lease instalment and charges based on number of prints). In absence of sufficient information, we have not been able to complete our review procedures to validate the reasonableness of such assumptions.

In view of abovementioned observations, we are unable to comment on the appropriateness of related revenue from operations including lease income and depreciation expense recognised for the quarter ended 30 June 2017.



9. In relation to trade receivables –

- a. the age wise analysis prepared by the Company is not appropriate;
- b. as per the aforesaid age-wise analysis and based on information provided to us, the balance as at the period-end includes amount totaling to INR 38,191.66 lacs that has been outstanding for more than six months. This includes amounts due from certain parties totaling to INR 21,389.85 lacs with whom there have been no significant transactions during the six months ended 30 June 2017. Further, of the total receivables INR 26,781.61 lacs is outstanding for more than one year. Moreover, the subsequent receipts from customers have been insignificant. In the absence of adequate evidence and information we are unable to comment on the recoverability of these amounts;
- c. the Company does not have a regular system in place to perform periodical reconciliation of balances with the customers.

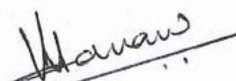
In view of the above, we are unable to comment on the financial impact of this matter on the provision for bad / doubtful receivables required either for specific parties or based on expected credit loss model as required under Ind AS 109 "Financial Instruments" and consequential impact, if any, on the revenue recognized for the quarter ended 30 June 2017.

10. In respect of one of the key vendors of the Company, the balance recoverable (net advance given) is INR 33,967.46 lacs as at 30 June 2017. As informed to us by the management, the Company has terminated most of the contracts with the said vendor. Further, as informed to us, the vendor has also made counter claims aggregating to INR 42,881 lacs on the Company. The management believes that the entire amount due to the Company is good and recoverable and the counter claims made by the vendor are frivolous and not tenable. However, basis the evidence currently available, we are unable to express an opinion whether any provision is required for recoverability / claims therefor.
11. During the previous years, the Company had performed physical verification of certain property, plant and equipment. As a result, a number of assets were physically found and were not appearing in the fixed assets register. These were recorded at zero value in the books of account / fixed assets register. The Company has not identified / assigned appropriate values to such assets and these assets continue to be recorded at zero value. Accordingly, we are unable to comment on the depreciation expense for the quarter for such property, plant and equipment.
12. During the quarter, the Company has recorded adjustments pertaining to prior periods in the financial results. However, the impact of such adjustments has not been quantified and disclosed separately as required under Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".
13. The Company needs to strengthen its internal control systems, in particular its IT controls and those relating to sales; tracking in relation to revenue contract; revenue from leases; accounts receivables including periodic reconciliations with customers; physical verification of certain inventories; classification of costs relating to items of purchase of traded goods including costs incurred towards warranty and certain contract expenses and quantitative reconciliation of inventories. We are unable to determine consequential impact, if any, of these aforesaid weaknesses on these financial results.

14. In view of our observations in paras 4 to 13 above, we have not been able to perform complete limited review procedures in accordance with SRE 2410 and have been unable to determine the adjustments, if any, that are necessary in respect of the Company's income and expenses for the quarter, and related presentation and disclosures in the financial results.
15. Attention is drawn to note 6 in the financial results which brings out in detail the fact that the Company's net worth has been eroded by its accumulated losses as at the end of the current quarter. However, in view of commitment to continue financial support, from the ultimate parent company, the management is of the view that the Company shall be able to continue as a going concern. Accordingly, the management considers it appropriate to prepare these financial results on a going concern basis.
16. We draw attention to note 12 to the financial results which explains that the Company has not been able to make a reliable estimate of the expenditure to be incurred to fulfil the obligation to collect electronic and electrical equipment ('EEE') waste under the E-Waste (Management) Rules, 2016 ('E-Waste Rules') owing to the uncertainties discussed therein. Consequently, the Company has not been able to estimate and recognize a provision for the same in its books of account as at 30 June 2017 and the obligation has been considered as a contingent liability.
17. Because of the very substantive nature and significance of the matters described in paragraphs 4 and 5 above and because of the limitation on work performed by us, we have not been able to obtain moderate assurance as to whether the accompanying statement of unaudited financial results has been prepared in accordance with the applicable accounting standards i.e. Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies or that the unaudited financial results are free of material misstatement or state whether the unaudited financial results are presented in accordance with the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July 2016.

New Delhi
1 September 2017

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration number: 101248W/W-100022



Vikram Advani
Partner
Membership No. 091765